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SUBJECT: DFM SALTANOV ON QUARTET, LEBANON, SYRIA, IRAQ,
PUTIN'S TRAVELS

Classified By: Ambassador William J. Burns: 1.4 (b, d).

¶1. (C) Summary: In a January 22 meeting with the Ambassador, Deputy Foreign Minister Aleksandr Saltanov reaffirmed support for the roadmap, while expressing sympathy for Palestinian efforts to proceed to final status discussions, and flagged that FM Lavrov will resurrect the GOR proposal for a Middle East conference during the February 2 Quartet. Saltanov viewed Asad's engagement with Iraq and encouragement of intra-Palestinian dialogue as constructive, while noting (without much conviction) Asad's promise not to meddle in Lebanon. He stressed steps taken by the GOR to prevent further weapons transfers to Hezbollah. The GOR will not make a financial pledge at the Lebanon conference, but seeks to provide technical assistance, and will continue to reject Hezbollah's demands to pressure PM Siniora. Saltanov welcomed U.S. efforts to enhance the security of the Russian mission in Baghdad, noted GOR initiatives to promote high-level contacts with the GOI, laid down a marker on Iraq's impending oil legislation, and reaffirmed Russia's intent to implement its waiver of Iraqi debt. During Putin's "historic" visit to the Gulf and Jordan, Lukoil will announce a significant deal with the SAG. End Summary

Peace Process

¶2. (C) Quartet meeting: Welcoming the opportunity for the Secretary and FM Lavrov to exchange views during the upcoming

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February 2 Quartet meeting, the Ambassador underscored the Secretary's determination to revive and accelerate efforts at

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Middle East peace, and the possibilities that were now arising -- notwithstanding the difficult domestic positions of PMs Olmert and Abu Mazen. Saltanov, confirming his attendance at the Lebanon pledging conference in Paris this week, noted that it was important for the Quartet to resume its activities, first with the envoys' pre-meeting in Paris, followed by the ministerial in Washington. For a variety of reasons, he noted, there had been little substantive engagement by the Quartet recently, but current events required greater international activism. The Quartet should encourage the Palestinians to revive a more substantive dialogue, and Saltanov confirmed that Lavrov would resurrect the idea of a Middle East conference (below) when meeting with the Secretary.

¶3. (C) Final Status: Based on recent conversations with former FM Shaath, Saltanov predicted intensified Palestinian lobbying for accelerated final status negotiations. While stating that it was reasonable to adhere to the roadmap's current phasing, Saltanov noted the logic of the Palestinian

position. Negotiations, secret or otherwise, on final status could get the parties out of the circular argument of who had failed to meet which benchmark at any given point in time. Saltanov speculated that a clearer political horizon on final status could create a more promising atmosphere or, at a minimum, remove some of the burdens on the Palestinian leadership. The notion of "preliminary borders" was a non-starter for the Palestinians, he added, with Abu Mazen convinced that anything temporary would soon become permanent. Saltanov stressed that the GOR expected the roadmap to be preserved on the negotiating table.

¶4. (C) ME Conference: Saltanov maintained that the Russian proposal for a Middle East conference was gaining ground. Abu Mazen and Shaath endorsed the Russian initiative. The logic of the conference, he repeated, was intensifying, particularly in light of the need for a comprehensive approach to the interlocking situations in Iraq, Syria-Lebanon, and Lebanon. Pushed to elaborate on the Russian concept, Saltanov repeated that "high-level experts" should first convene, followed by a full-fledged conference. If there was movement in the Israeli-Palestinian track, the conference could move in parallel with the roadmap; otherwise, the conference could be independent of roadmap discussions. The Russian goal was to launch a new track that addressed the outstanding conflicts between Israel-Syria, Israel-Lebanon, and Syria-Lebanon. The conference could underscore the goals already articulated by the roadmap, but most importantly would get the parties to the negotiating table. Saltanov flagged as significant Syria's new willingness to decouple progress on the Palestinian track from forward movement on the Syrian front, which would provide the parties greater room to maneuver.

¶5. (C) Feasability of ME Conference: Pressed by the Ambassador for the Israeli reaction, Saltanov said there had not been a categorical "no," but equally no categorical "yes." During the October 2006 visit of Olmert and December

MOSCOW 00000259 002 OF 003

2006 visit of MFA Director General Abramovich, GOI questions had focused on "how." While the EU did not have a unified position, it was "obvious" that most were inclined toward the Russian proposal. The GOR will sound out Arab League Amr Musa further during his planned visit to Moscow in early February. The Ambassador cautioned against getting too far down the road on the "conference" theme without the most careful and thorough consideration within the Quartet. As Saltanov knew very well, these ideas often looked a lot more appealing in concept than in implementation. The key point ought to be taking advantage of the practical opportunity for progress that might be emerging.

Syria -- Relations with its neighbors

¶6. (C) Establishment of relations with Iraq: Saltanov reiterated the GOR stance that it would be extremely difficult to solve any of the outstanding conflicts in the region without direct engagement with Syria. In this light, the GOR welcomed the establishment of diplomatic relations between Syria and Iraq as a "major step" forward, which Saltanov said Asad took seriously. Saltanov asserted that the Syrian regime was disquieted by the flow of terrorists across its territory, some of whom remained, or returned with combat experience from Iraq; Asad was also motivated by economics and the need to normalize ties and restore energy links, including oil reprocessing business opportunities. Practical results of Syrian-Iraqi cooperation should be seen in a decline in infiltration. The Ambassador stressed that while it was natural for Iraq to develop relations with its neighbors, the burden was on Syria to demonstrate practical results.

¶7. (C) Lebanon: When asked to assess Asad's attitudes

towards Lebanon, Saltanov conceded that the Syrian leader found the demands of the opposition more appealing than the appeals of Siniora. However, Asad had promised Putin that Syria would not destabilize the internal situation in Lebanon.

¶18. (C) Palestinians: Saltanov noted GOR pressure on Asad to help solve internal Palestinian battles, and viewed the Khalid Mishaal-Abu Mazen meeting in this light. Noting that he did not have a readout of the Damascus session, Saltanov agreed that there was no evidence of a breakthrough. However, he stressed the positive, arguing that the Hamas-Palestinian Authority unification talks continued, with agreement on Fayyad as Finance Minister, but disagreement over who would occupy the post of Interior Minister.

¶19. (C) Weapons Transfers: The Ambassador underscored the continued, strong U.S. opposition to the rearming of Hezbollah, especially through the transfer of weapons sold to Syria and Iran. Saltanov replied that this was a subject of "constant discussion" with the SARG and that the GOR would not tolerate a repeat of the unauthorized transfer of Russian weapons to Hezbollah. Saltanov referred to measures taken by the GOR to tighten its export controls, in the wake of the August 2006 incident, and of the additional obligations placed on Syrian end-users. Saltanov stated that the GOR was against the illegal resupply of Hezbollah. The Ambassador reiterated that an influx of weapons to Hezbollah would not advance the peace process and would severely undermine the situation.

Lebanon

¶110. (C) Paris Conference: Saltanov confirmed that the GOR would not deliver a new financial pledge but was looking for a "niche," where it could provide technical assistance, perhaps in the continued reconstruction of southern Lebanon. The Siniora government had made such a request, and Saltanov agreed with the Ambassador that pledges needed to be followed up by practical results.

¶111. (C) Political Situation: Saltanov noted that the general situation had not worsened in Lebanon, despite opposition threats to broaden the street protests. Hezbollah actions had failed to close down the government. The GOR agreed with those Lebanese who maintained that the time had come for Lebanon to resolve its own problems, without reference to outside parties. The GOR listened to, but rejected, Hezbollah arguments that pressure should be applied to the Siniora government. Siniora represented the legitimate government of Lebanon, with whom the GOR would continue to cooperate. Both parties, Saltanov maintained,

MOSCOW 00000259 003 OF 003

needed to place the national interests of Lebanon above their personal political agendas. What was not achieved through consensus, could not be achieved through force. Saltanov welcomed signs of potential flexibility from Siniora on the composition of the government.

Iraq

¶112. (C) Attack on Russian Embassy: The Ambassador encouraged Saltanov to keep open lines of communication with the U.S. on the security of its embassy in Baghdad, noting that the U.S. was sensitive to Russian concerns following the tragic June 2006 kidnapping and murder of four Russian diplomats. He noted that the U.S. and Russian missions in Baghdad were in direct contact following the abortive January 10, 2007, terrorist attack on the Russian compound. Saltanov expressed appreciation and noted that this was a particularly painful topic for the GOR. The security situation in the

Mansour district, where the Russian Embassy is located, had deteriorated and Saltanov repeated GOR requests that MNF ensure for the security of diplomatic missions in Iraq.

¶13. (C) GOR-Iraq Engagement: Saltanov confirmed that the GOR was actively seeking to expand and deepen contacts with the Iraqi government, but recognized that internal political developments remained the foremost preoccupation. The governments have discussed the formation of a bilateral commission, but the GOR remains focused on the promulgation of new legislation regulating Iraq's oil industry. The legislation, he stressed, should not discriminate against foreign firms. The preservation of Lukoil's contracts were in Iraq's (as well as Russia's) self-interest: first, Iraq needed influential oil and gas companies to engage and, second, it would demonstrate Iraq's adherence to international legal norms and the continuity of the Iraqi government (not, he stressed, the continuity of Saddam). Saltanov complained that Lukoil had been treated unfairly by Saddam, and now faced the possibility of discriminatory treatment by Saddam's successors. The Ambassador responded that the U.S. would continue to encourage the GOI to create a level playing field and to increase transparency in an important sector that would benefit all foreign firms, including Lukoil. The Ambassador praised Lukoil and Conoco's efforts to train Iraqi Ministry of Petroleum officials.

¶14. (C) Debt Relief: The Ambassador pushed the GOR to implement its decision to waive Iraq's debt soon, noting the positive signal that this would send. Saltanov maintained that the delay in implementation was purely technical in nature and a "problem of the experts only." On a political level, the GOR was fully committed. (Note: Ambassador is also following up on debt forgiveness with Finance Minister Kudrin.)

Putin's ME Travel

¶15. (C) Historic Visit: Saltanov characterized the first-ever visit by a Russian (or Soviet, or pre-revolutionary Imperial) head of state to the Gulf and Jordan (excluding Yeltsin's attendance at King Hussein's funeral) as historic. With Saudi Arabia, Qatar, and Jordan in mid-February, Putin would raise regional stability, peace process, Iraq, Iran, Syria, Lebanon and terrorism. On the economic track, the GOR expected a significant deal to be announced with Lukoil in Saudi Arabia, and movement in other commercial negotiations. A Joint Business Council will be announced with Qatar (but no concrete business commitments), with the GOR open to the further development of economic ties with Jordan, but seeing less basis for optimism.

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